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7/10/78

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MEMORANDUM OF CONVERSATION

PARTICIPANTS:

John Corr, USICA Information Officer

SUBJECT:

Current Events

PLACE:

A restaurant in Buenos Aires

DATE:

July 10, 1978

spoke of the disappearance of Julian Delgado, the ambi-
tions of Admiral Massera, the Argentine search for armaments and
other topics. He said:

1. Julian Delgado apparently took his own life. He had not, as reported by TIME, been threatened by the Montoneros, and apparently had been receiving psychological counseling for some time. The security services of the Armed Forces have assured [] that they had no role in the disappearance and he believes them.
2. Admiral Massera may not retire in September after all but may try to use the Beagle situation as justification for remaining as Navy commander-in-chief. Massera would dearly love to sink a Chilean ship to mark his entry into politics.
3. A few months ago, Massera removed Admiral Segura as Argentine Naval Attache in London, causing some uneasiness within the Navy, because Segura was Lambruschini's chief rival. One of the responsibilities of the Argentine Naval Attache in London is the negotiation of arms contracts in all of Europe, a task which Massera has taken on to himself, along with a percentage kickback on each arms contract.
4. At least some of the money supporting the soon-to-be published Masserista daily newspaper, CONVICCION, is coming from the branches of Italian companies in Argentina. The Italians traditionally have been able to negotiate preferential under-the-table treatment from the Government. The newspaper has funds to finance eight months of operation. [] of LA OPINION also has said Italian business interests were backing CONVICCION.)
5. Argentina will buy ship and plane rockets from Israel.
6. A Thyssen representative told him a few months ago that the Argentines had signed or were about to sign a contract with Thyssen for the purchase of three frigates and two submarines.

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ARGENTINA PROJECT (S20000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafield, Director

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Exemption(s):

Declassify: () In Part (X) In Full

() Classify as () Extend as () Downgrade to

Reason

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7. Two persons who had seen President Videla over the past two weeks had told him that Videla had said that Martínez de Hoz would be in the Government "for a long time."

8. The U.S. must be crazy to be throwing away so much business in Argentina because of human rights policy. The French and others will be happy to fill the gap. Ferrocarriles Argentinos would like General Motors of Argentina to take over the maintenance of all of its locomotives. But GM executives say that this would involve financing necessary to outfit maintenance shops. This financing might, they think, run afoul of U.S. human rights policy. (When I asked "how," he replied that there was a bill in Congress that would put a ceiling on loans from U.S. private banks in countries where human rights problems existed.)

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*No such
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